REMARKS

1. Summary of Office Action

Claims 1-32, 34, and 35 are pending. Claims 1-35 have been rejected as being obvious under 35 U.S.C. § 103(a) by U.S. Patent No. 5,809,484 to Mottola et al. ("Mottola").

2. Status of Application

Claims 1, 31, 34, and 35 are in independent form. Claim 33 has been canceled. The remaining claims are in dependent form. The claims have been amended to clarify that the participant is a retiree. The retiree is receiving a loan. The non-directly assignable benefits of the present invention cannot be determined until the participant has retired.

3. The Claimed Subject Matter

The present invention, in broad overview, includes a method for providing a retiree participant with a loan in exchange for non-directly assignable benefits received by the participant. In general, the lender calculates a loan amount after the participant retires, provides the loan amount, and in exchange, receives non-directly assignable benefits from the loan participant. The present invention generally includes determining the amount of the loan based on a calculation of the loan participant's non-directly assignable benefits after the participant retires, providing a loan to the participant in the calculated amount and collecting the participant's non-directly assignable benefits. In the present invention, an aspect of the invention is directed to the process of determining how much the loan should be - based on a

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calculation of the participant's non-directly assignable benefits, which can only be done after retirement.

4. Response to Rejection of the Claims

Claims 1-35 have been rejected as being obvious under 35 U.S.C. § 103(a) by U.S. Patent No. 5,809,484 to Mottola et al. ("Mottola").

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure.

Prima facie obviousness has not been produced because the reference, Mottola, does not show or suggest all of the claimed limitations and the action does not supply the deficiencies of Mottola. The action does not demonstrate either with evidence from the prior art or with sufficient reasoning why Mottola should be combined with the statements in the action, which are alleged to be well known facts those of ordinary skill in the art will have possessed at the time of the invention. It will be shown hereinbelow that the combination of Mottola with the benefits discussed in the action would render the invention inoperable and thus teach away from the alleged combination of statements given in the action because the benefits cited in the action are not properly combinable with Mottola, and even if so

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combined, that they are not equivalent to the claimed non-directly assignable benefits, especially given the context of the present invention as a whole.

In contrast to the presently claimed invention, Mottola is directed to a system and method for administering a plan for funding *investments* (Abstract). Generally, the objective of Mottola is directed to a system and method for *assessing the risk of investing* in a student's education based on many factors. So, the system of Mottola includes an elaborate risk assessment method for investors, wherein the investment is paid by the graduate from a wage/salary earned after entering the work force. In Mottola, the invention is centered about determining the risk in the investment. Mottola is not directed to calculating a loan.

The Mottola document shows the education of students being paid for by funds invested in the plan by investors (Abstract). The students agree to *assign* a percentage of their future wages for a limited time period to the plan, generating a return for the investors (Abstract). It is important to note that Mottola contemplates only wages as a source of repayment of the education funding received. There is no suggestion in Mottola to look to other means of repaying the investment. The wages *are* assignable, which teaches away from the presently claimed requirement set out in the present claims, namely, the use of non-directly assignable benefits, such as Social Security benefits, which can only be calculated after the participant has stopped earning wages and contributing to Social Security.

All of the claims require the determination of a loan or means for the determination of a loan. Mottola teaches a system and method for administering investments in a student's education. The present invention, in contrast, is directed to providing a loan to a retired person in exchange for non-directly assignable benefits paid to the loan providing party.

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Investments and loans are different instruments, having a number of different operative features, and are regulated differently.

Mottola is directed to an investment for investors (Abstract) and has an easily determined payment amount to the student and a less easily determined outcome. This is why Mottola focuses on assessing the risk associated with the investment and determining the potential earnings of the student once in the workforce (if the student ever joins the workforce). The payment to the student is easily determined. It could be the student's costs of education and living during a period of college. Mottola goes to great lengths in calculating the risk for investors. The risks are calculated based on the student's grades, the student's marital status, the college being attended, the student's major and many other factors. Mottola cannot predict how much the graduate will earn and therefore cannot predict how long the graduate will be making payments to repay the investment at the onset of the process and therefore cannot be considered a loan.

The presently claimed invention is not an investment, it is a loan. The amount of the loan provided to the participant is calculated in part by first determining what the total non-assignable benefit will likely be using a number of factors, including the amount of the benefit payments, the health of the participant (which affects how long the participant will receive the benefit), the marital status of the participant (which will affect how long the benefit is paid and potentially spousal benefits), anticipated cost of living adjustments to the benefit, life expectancy of the participant, timing of retirement, and so on. In determining the amount of the benefit over the life of the participant, the amount of the loan can easily be calculated using well known loan calculations.

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In Mottola, because it is an investment, it is legally permissible to use marital status, or sex, or age in factoring risk. In a loan, it is not legal to do so. Claim 3 sets out the use of age, health, life expectancy information, and Claims 5, 6, 7, 8, and 9 set out factors such as marital status, spousal benefits, widow benefits, and retirement information in the present invention is used as a factor to calculate the amount of the benefits.

Thus, Mottola is directed to analyzing a number of variables to determine the risk of making an investment, where, in contrast, the present invention uses analysis of a number of variables after retirement to determine the amount of the benefit and thus, the loan can be calculated. In contrast to Mottola, the present invention has a known outcome – payments will be made on the loan and the only unknown to the lender is the life span of the participant. This distinction alone should make it clear that Mottola cannot render the presently claims obvious.

All of Claims requires the determination of a loan after the participant retires. This limitation is absent in Mottola and this deficiency is not provided elsewhere in the action.

Claim 1, 31, 34 and 35 each also "requires directing the received non-directly assignable benefits to a participant account..." or means to do so. As shown above, the action admits that Mottola does not show non-directly assignable benefits. The examiner presents the information that "most jobs offer a wide range of benefits in addition to the salary or earnings." Furthermore, "Leveraging these benefits for the sake of repayment would be afford (sic) users an additional option so that they can utilize their liquid assets (namely salary) immediately."

The action does not make it clear how "the wide range of benefits" in the action is equivalent to non-directly assignable benefits as set out in the present claims. The examiner

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notes that benefits are offered to an employee provided in addition to wages. The present claims require that the non-directly assignable benefits are calculated after retirement.

The examiner provides no evidence or reasoning to support the contention that the wide range of benefits (provided by an employer) is the same or equivalent to non-directly assignable benefits calculated and claimed in the present application. This is especially highlighted by the fact that there is no explanation of the benefits suggested by the examiner meet the limitation in the claim which "requires directing the received non-directly assignable benefits to a participant account."

Nor can benefits provided by the employer render obvious the present claimed non-directly assignable benefits because the claimed benefits are clearly defined in the specification as benefits, such as Social Security benefits, which are not provided by employers and calculated after retirement. The present application is directed to loans based on non-directly assignable benefits including those detailed in U.S. Code Title 42, Chapter 7, Subchapter II (Federal Old Age, Survivors, and Disability Insurance Benefits). Therefore, for these reasons, the benefits cited by the examiner cannot provide the deficiencies of Mottola.

It is also not clear how "leveraging" the "wide range of benefits" meets the limitation of "periodically transferring the received non-directly assignable benefits from the participant account to a second account," as required by the claims." It is clear from this, in addition to the above, that the benefits being cited by the examiner are not the same as that being claimed in the present application. The claims do not just require benefits, but the transfer of non-directly assignable benefits from the participant account. This limitation is not met or

overcome by the examiner's assertion, that leveraging a wide range of benefits provided to employees is equivalent to or suggest the transfer of non-directly assignable benefits.

As a further example, the claims require "periodically transferring the received non-directly assignable benefits from the participant account to a second account". It is not shown or suggested by Mottola or explained by the examiner how the prior art employer provided benefits might be transferred from a participant account to a second account.

Furthermore, some aspects of Mottola used in calculating the investment risk, e.g. marital status, are taken out of context to be applied to the present claims where similarly named factors are used to calculate the amount of the non-directly assignable benefits.

For example, marital status means, in Mottola, a factor involved in assessing the likelihood that the graduate will honor the agreement to pay back the investment. Marital status in the present invention is part of a government definition that is part of a formula to determine the eligibility of the participant and the amount of the benefit.

From the foregoing, it can be seen that the entire framework, workings and objective of Mottola is different than the present invention and accordingly, elements which appear similar are in fact, different or provide different functions within the framework in contrast to the presently claimed invention. The above comparison of Mottola and the claimed invention reveals a number of significant differences which are not supplied by either public notice and/or "the skill of an ordinary worker in the art."

Another reason that Mottola cannot be alleged to show or suggest a loan as is required by the present claims, is that providing a loan to a student, where the loan would be paid back by Social Security benefits, for example, would never provide any reasonable return as it might take 45 years before any payments of the loan would begin to be repaid,

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and the amount of benefits would not likely ever repay the loan. This is a significant illustration of how Mottola tends to teach away from the present invention.

5. Conclusion

Because Mottola does not show or suggest all of the limitations of the independent claims, it cannot alone or in combination with the allegations provided in the action render obvious any of the present claims including those depending from the independent claims. Applicants request reconsideration and issuance of a Notice of Allowability is respectfully solicited.

Respectfully submitted,

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